



**MENA-OECD
INVESTMENT
PROGRAMME**



**Under the patronage of
H.E. Sheikh Mohamed Bin Essa AL KHALIFA**

**Regional Workshop on
“STRENGTHENING INTEGRITY IN THE PRIVATE SECTOR IN
ARAB COUNTRIES”**

**Manama, the Kingdom of Bahrain
16-17 March 2010**

DRAFT PROGRAMME

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1. BACKGROUND

This regional workshop is driven by the increasing attention paid by governments, the business community, as well as international organisations to integrity in the private sector. It seeks to promote international principles and best practices in this area including the requirements of the United Nations Convention against Corruption (UNCAC) which calls, *inter alia*, for preventive (article 12, 13) and punitive (articles 21, 22) anti-corruption measures in the private sector, as well for strengthening cooperation between national authorities and the private sector (article 39).

As explicitly recognized by the Arab Anti-Corruption & Integrity Network (ACINET) in its first General Meeting in Rabat on 2 April 2009, part of a successful strategy to fight corruption involves private investors and requires specific commitments on the part of the private sector on a preventive as well as an enforcement level. The increasing involvement of the private sector in the Middle East and North African (MENA) economies and injurious trends such as individuals working in government and subsequently owning private businesses, while maintaining ties with the government, are among the other factors which call for enhanced awareness on corruption preventive measures in the private sector, including large corporations and small, medium and even micro enterprises.

2. THEMATIC FOCUS

Globalisation and competitive challenges have resulted in new rules and regulations applying to international and local business transactions. A number of legally binding as well as non-binding anti-corruption and integrity instruments¹ have been adopted at regional and global levels to prevent and punish corrupt business practices with a view to improving the trade and investment climate.

Furthermore, organisations such as the OECD, the United Nations (UN), the World Bank, the International Chamber of Commerce (ICC), Transparency International (TI), the UN Global Compact and others, have developed recommendations, broad-based principles or best practices to help promote good governance and integrity in the private sector.

¹ This includes notably the United Nations Convention against Corruption (2003); OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997); African Union Convention on Preventing and Combating Corruption (2003); OECD Declaration on Multinational Investment and Guidelines on Multinational Enterprises (2000); and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997).

Implementation and, where applicable, enforcement of these instruments call for action by various stakeholders and impact the interaction between governments and the private sector, as well as interaction between private entities. Governments are required to adapt their regulatory environment and ensure that their institutional framework is adequate and lives up to their commitments under these instruments. Government action alone, however, is not enough. Complementary and mutually supportive actions by the private sector, civil society and media actors are recognised to be increasingly important.

The cooperation of the various stakeholders is an essential building block for clean, fair and transparent business, which is in turn critical for development and the achievement of the Millennium Development Goals (MDGs). Not only do high standards of integrity minimize the risks of corruption, they also directly benefit the corporation, which may be in a better position to attract investment through improved public trust.

3. OBJECTIVES

The purpose of the regional workshop is to support a selected number of Arab countries in the MENA region in their efforts to further improve integrity in the private sector based on related international standards and in line with their commitment to implement the UN Convention against Corruption (UNCAC) and advance their national development agendas.

Representatives from concerned national authorities as well as the private sector, civil society and specialized media will have the opportunity to discuss current policies and practices in the light of regional and global instruments that impact integrity standards in the private sector.

The workshop will aim at:

- Familiarising participants with international anti-corruption instruments and resulting integrity standards for the private sector;
- Facilitating discussions on the need, usefulness and potentials of public-private consultations;
- Raising awareness of the different international and national initiatives to increase private sector integrity; and
- Provide concrete examples and suggestions on how to apply the international integrity principles in the national context.

4. TARGET AUDIENCE

Experience shows that governments will achieve better and more concrete results in improving integrity and preventing or detecting corruption if they engage in a productive and efficient exchange with the business community. Indeed, business - victim of bribery but also instigator - plays a fundamental role in the development of preventive, self-regulatory measures to eliminate malpractice and fraud.

The regional workshop will bring public and private sector decision-makers from the Arab countries in the MENA region together with public and private sector representatives of OECD countries experienced in corruption prevention, ethics and integrity management. In addition other experts from civil society and specialized media will also be invited to participate in the

discussions. To facilitate exchange with the business community, private sector representatives from Business Associations as well as from large, medium and small companies operating within the MENA will be present.

5. METHODOLOGY

This two day workshop will consist of plenary presentations as well as panel discussions. The plenary will be followed by interventions from the floor. Participants will be able to ask questions or intervene to clarify the issues discussed. Participants will be asked prior to the meeting to prepare base-line information based on simplified questionnaires which the organisers will submit to participants ahead of the workshop. The working language will be English. Interpretation will be provided during the workshop in Arabic.

6. DOCUMENTATION

The following background documents will be provided during the meeting:

- The UN Convention against Corruption and the UNCAC Legislative Guide.
- The OECD Convention against Bribery of Foreign Public Officials in International Business Transactions and Revised Recommendation of the Council on Combating Bribery in International Business Transactions.
- Documents produced by the UN Global Compact, the OECD, the ICC and TI.
- Other relevant documentation submitted by participants.
- The Arab Anti-Corruption & Integrity Network documentation.
- Anti-Corruption posters.

7. AGENDA

This agenda of two day workshop is programmed according to the schedule below.

TUESDAY, 16 MARCH 2010

08.30 – 09.00 Registration

09.00 – 10.30 Opening Session

This session will provide the host, the organizers and ACINET with an opportunity to address the participants and express ideas related to the theme of the workshop in addition to providing information on the background for the regional workshop and its objectives and agenda.

09.00 – 09.45 Official Statements

H.E. Sheikh Mohamed Bin Essa AL KHALIFA, Chief Executive, Economic Development Board, Bahrain

Mr. Alexander BÖHMER, Head of MENA-OECD Investment Programme, the Organisation for Economic Cooperation and Development.

H.E. Mr. Sayed AQA, UN Resident Coordinator, Resident Representative, the UN Development Programme in Bahrain.

H.E. Mr. Abed SHAKHANBEH, Chair of the Arab Anti-Corruption & Integrity Network, and the President of the Jordanian Anti-Corruption Commission.

09.45 – 10.00 Break

Session 1: Promoting Regulatory Reforms and Cooperation between the Government and the Business Community

The dialogue between governments and the private sector can be organised in various ways and address different concerns. The first session will discuss the regulatory role of government and the nature of government-private sector contacts, their scope, regularity and primary objectives. Discussions will also address the possible resulting outcomes and the limits of governments' interventions.

10.00 – 12.00

In each section, one lead speaker will make a presentation after which participating officials from Arab countries will provide inputs using information they have prepared based on a simplified questionnaire sent out to them before the regional workshop. The floor will then be open for discussions.

Chair: Dr. Jameel AL ALAWI, Senior Legal Advisor, Economic Development Board, Bahrain.

10.00 – 10.30 Introductory presentation

Ms. Nicola EHLERMANN-CACHE, Senior Policy Analyst, MENA-OECD Investment Programme, OECD.

10.30 – 11.30 Session 1A: The new regulatory environment

Governments have adopted different mechanisms to assist companies to prevent corruption. A first, essential step is that governments engage in a dialogue with business on regulatory reform.

Laws aimed at improving integrity and outlawing corruption and related crimes such as money-laundering and accounting fraud impose new requirements on corporations, their boards and management but also accountants, auditors and lawyers. It is essential that governments ensure that companies and related professionals operating in their territory be aware of applicable international Instruments and Conventions, ensuing amendments to national legislation, and the potential sanctions they face if they breach such provisions. Governments also need to provide information on the new regulatory environment and resulting increased transparency, accountability and disclosure.

Lead Speaker: *Mr. Ahmed RAGAB, Executive Director, UNDP Center for Transparency & Anti-Corruption, Advisor to the Office of the Minister of Investment, Egypt. (TBC)*

Inputs from participating officials followed by open discussion.

11.30 – 12.30 Session 1B: Means for governments to strengthen integrity in private sector

Governments may be more pro-actively engaged and capitalise on the business community's awareness and response to regulatory changes. For instance, government agencies including aid and development agencies as well as export credit agencies may begin to establish guidelines for companies operating abroad.

Governments may also directly contact companies to inform them of the consequences of legal provisions on corruption. Target companies may include those involved in public procurement (abroad), those operating in sectors which may be more sensitive to corruption (such as the energy or transport sector), or those located in geographically sensitive areas.

The development of information brochures and/or seminars to promote good business practices and ethical behaviour between private firms and government officials can influence the adoption of corporate social responsibility tools. Tools such as codes of conduct or more generally compliance programmes are important, innovative instruments that can identify potential legal risks. They may regulate the behaviour within companies and relations with clients, suppliers, associates and public administrations.

Lead Speaker: *Mr. Atle ROALDSØY, Senior Advisor, Ministry of Justice, Norway.*

Inputs from participating officials followed by open discussion.

12.30 – 14.00 Lunch

14.00 – 15.00 Session 1 (continued)

14.00 – 15.00 Session 1C: Public-private cooperation to promote adequate corporate rules and behaviour against corruption

Some governments also have started to develop joint programmes with the private sector aimed at identifying best practices to help companies and their employees to prevent them from engaging in malpractices and to adopt a professional behaviour consistent with prevailing anti-corruption rules and regulations.

Governments may also provide support to companies operating abroad. For instance, diplomatic missions may provide information as well as clear guiding principles. But governments' diplomatic support may go beyond mere counselling. In certain circumstances, governments may decide to engage in actions that prevent and alert about misconduct in specific transactions. To be able to assist companies, governments may establish reporting mechanisms, though when doing so a number of safeguards must be established including mechanisms to ensure confidentiality and reliability of the information and the informants.

Lead Speaker.

Mr. James FILPI, Senior Attorney, Commercial Law Development Program, Office of the General Counsel, US Department of Commerce.

Ms. Anita RAMASASTRY, Senior Policy Advisor, International Trade Administration, US Department of Commerce.

Inputs from participating officials followed by open discussion.

WEDNESDAY, 17 MARCH 2010

09.00 – 10.30 Session 2: The Role of the Private Sector in Strengthening Integrity Within

Business has a crucial role to play in strengthening integrity within. The second session discusses how firms have responded to the new regulatory environment by adapting management techniques to ensure compliance with the law and the firms' own standards of conduct and performance.

In each section, one or more lead speakers will make presentation(s) addressing those issue, after which participating non-governmental stakeholders will provide inputs using information they have prepared based

on a simplified questionnaire sent out to them before the regional workshop. The floor will then be open for discussions.

Chair: Mr. Alexander BÖHMER, Head of MENA-OECD Investment Programme, the Organisation for Economic Cooperation and Development.

09.00 – 09.45 Introductory presentation

Mr Jermyn BROOKS, Private Sector Programmes, Transparency International.

09.00 – 09.45 Session 2A: Codes of conduct and compliance programmes.

Many companies have developed written expression of voluntary commitment in various areas — also called a “code of corporate conduct”. Such codes serve to influence or control business behaviour for the benefit of the firm itself (e.g. to enhance the company’s reputation or to minimise the risk of criminal or civil sanctions) and for the communities in which it operates. Codes inform the public about the nature of the firm’s commitments and accompanying implementation measures. Codes should heighten employees’ awareness of corporate policy and enlist their support. Issuance of codes is often accompanied by the adoption of special management systems and internal control mechanisms designed to help firms honour their commitments in their day-to-day operations.

Standards for compliance ‘best practices’ improve continuously and companies have gained experiences with different compliance policies and procedures to improve business ethics and integrity and reduce the risk of fraud and malpractice. Key corporate compliance elements will be outlined as well as main characteristics of internal managerial control. The requirements for continuing self-evaluation and reporting in the absence of overarching evaluating and control standards will be discussed as well.

Lead Speakers.

Mr. Nadeem ANWER, Regional Compliance Officer, Siemens LLC.

Inputs from non-governmental participants followed by open discussion.

09.45 – 10.45 Session 2B: Internal Integrity Principles and Industry Agreements

Transparency International (TI) and Social Accountability International (SAI) have developed Business Principles for Countering Bribery. The Principles have been developed by a group of private sector interests, non-governmental organisations and trade unions to develop effective approaches to improve integrity and combating bribery in business. They are designed as a comprehensive approach applicable by small, medium and large firms. They were drawn up to meet different recent initiatives such as the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the ICC Rules of Conduct to Combat Extortion and Bribery and the anti-bribery provisions of the OECD Guidelines for Multinationals.

Besides individual initiatives, some companies have started to develop and

engage in voluntary Industry initiatives. These initiatives are based on commonly agreed behavioural principles and standards to which subscribing companies will adhere. For instance, the “Extractive Industries Transparency Initiative” (EITI), which involves governments, companies and civil society, aims at increasing transparency both over the payments made by companies in the extractive industries, and those revenues received by governments. The “Equator Principles”, developed by financial institutions, serve as a common baseline and framework for the implementation of environmental and social procedures and standards for project financing activities for all industry sectors across the board. The “Wolfsberg Anti-Money Laundering Principles” aim at setting common international standards to fight money laundering in the financial services sector. Means for governments to strengthen integrity in private sector.

Lead Speakers.

Ms. Olajobi MAKINWA, Anti-Corruption, UN Global Compact Office.

Mr. Jasim HUSSEIN, Bahrain Transparency Society.

Expert from ICC (TBC)

Open Discussion.

10.45 – 11.00 Break

11.00 – 12.45 Session 3: Applications in Break-out Sessions

Two parallel breakout sessions will be organised during which participants will have the opportunity to identify, consider, and prioritise actions for developing and implementing a corporate integrity policy. These breakout sessions will be most beneficial if participants engage in a frank exchange.

11.00 – 11.15 Introduction in Plenary

Mr. Arkan EL SEBLANI, Legal Specialist, Programme on Governance in the Arab Region, UNDP.

11.15 – 12.45 Break-out 1: Regulation and cooperation to promote integrity in the private sector (session for government representatives)

Co-Moderators:

Mr. Arkan EL SEBLANI, Legal Specialist, Programme on Governance in the Arab Region, UNDP.

Ms. Nicola EHLERMANN-CACHE, Senior Policy Analyst, MENA-OECD Investment Programme, OECD.

The Moderator will support participants’ discussion on how governments can develop relations with the private sector in order to prevent malpractice. Concrete examples will help identify best practices for government-private sector contacts. While they may help identify potential practical difficulties as

well as possible resulting outcomes, such examples are based on specific national conditions and different business environments. Practical solutions for each country might have to be adapted to its national characteristics.

11.15 – 12.45 Break-out 2: From Codes of Ethics to Integrity Systems (session for business and non-government representatives).

Co-Moderators:

Mr. Alexander BÖHMER, Head of MENA-OECD Investment Programme, the Organisation for Economic Cooperation and Development

Mr. Mohamed AL SHARIF, Assistant Resident Representative, UNDP Bahrain.

The moderator will support participants' discussion core elements constituting a good code of conduct and the overall understanding why it is useful to introduce wider anti-corruption policies and the best ways to implement and enforce them. Participants will consider how to deal with potential violations. They may consider internal corrective and disciplinary measures as well as related issues such as the establishment of adequate whistle blowing mechanisms as well as independent in- and outside investigations as well as how to deal with disclosure.

12.45 – 13.15 Break

13.15 – 14.30 Session 4: Next Steps Towards Strengthening Integrity in the Private Sector in Participating Countries

This session will be chaired by Mr. Sayed AQA (UNDP) and will provide an opportunity for groups to present the outcome of the panel discussions and report on possible next steps. Participants will collectively have an opportunity to identify, assess, and discuss key activities for implementing concrete steps to improve corporate governance and integrity in the MENA region.

Presentation of the break-out sessions.

Open discussion.

Summary and conclusions.

**14.30 Lunch
(Press Conference)**